TWO MEAN VALUES WHICH CHARACTERIZE THE POISSON PROCESS

by

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TECHNICAL REPORT NO. 183

November 5, 1971

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DEPARTMENT OF STATISTICS

STANFORD UNIVERSITY

STANFORD, CALIFORNIA

DOCUMENT CONTROL DATA - R&D

(Security classification of title, body of abstract and indexing annotation must be entered when the overall report is classified)

1. ORIGINATING ACTIVITY (Corporate author)	2a. REPORT SECURITY CLASSIFICATION
DEPARTMENT OF STATISTICS STANFORD UNIVERSITY CALIFORNIA	2b. GROUP

3. REPORT TITLE

TWO MEAN VALUES WHICH CHARACTERIZE THE POISSON PROCESS

4. DESCRIPTIVE NOTES (Type of report and inclusive dates)

TECHNICAL REPORT

5. AUTHOR(S) (Last name, first name, initial)

JAGERS, Peter

6. REPORT DATE	7a. TOTAL NO. OF PAGES	7b. NO. OF REFS
November 5, 1971	7	1

8a. CONTRACT OR GRANT NO.	9a. ORIGINATOR'S REPORT NUMBER(S)
N00014-67-A-0112-0053	No. 183
b. PROJECT NO. NR-042-267	
c.	9b. OTHER REPORT NO(S) (Any other numbers that may be assigned this report)
d.	No. 29 NSF24918

10. AVAILABILITY/LIMITATION NOTICES

Distribution of this document is unlimited

11. SUPPLEMENTARY NOTES	12. SPONSORING MILITARY ACTIVITY
	Logistics & Mathematical Sciences Branch Office of Naval Research Arlington, Virginia

13. ABSTRACT

It is shown that the expected age at time $t > 0$ and the expected residual life at t both single out Poisson processes among renewal processes on the positive line.

DD FORM 1 JAN 64 1473

14. KEY WORDS	LINK A		LINK B		LINK C	
	ROLE	WT	ROLE	WT	ROLE	WT
Poisson process						
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TWO MEAN VALUES WHICH CHARACTERIZE THE POISSON PROCESS

by

Peter Jagers

The literature abounds with characterizations of Poisson processes among renewal processes. Here are two, hopefully, new ones. A suggestion of Kai Lai Chung made me think of them.

Let F be a probability measure on $(0, \infty)$, X_n, $n = 1, 2, \ldots$ a sequence of independent random variables with the distribution F, $S_0 = 0$, $S_n = S_{n-1} + X_n$, $n = 1, 2, \ldots$ the corresponding partial sums, and

$$N_t = \sup\{n; \, S_n \leq t\}, \quad t \geq 0,$$

the induced renewal process. Consider the "age at t",

$$\delta(t) = t - S_{N_t}$$

and the "residual life at t"

$$\delta^*(t) = S_{N_t + 1} - t, \quad t \geq 0.$$

If $\{N_t\}$ is Poisson, that is $F(x) = 1 - e^{-\lambda x}$, $x \geq 0$, for some $\lambda > 0$, then, as is well known,

(1) $\delta^*(t)$ has distribution F for all t;

(2) for all t $\delta(t)$ is distributed according to F_t,

$$F_t(x) = \begin{cases} F(x), & 0 \leq x \leq t \\ \\ 1, & x > t. \end{cases}$$

1

Chung proved in [1] that either one of (1) or (2) for arbitrary F implies that the process is Poisson. Actually, his results are somewhat stronger, for example, $\delta*(t)$ must only have the distribution F for a sequence of t:s tending to infinity, or for all t in some initial segment $0 \leq t \leq t_o$, $t_o > 0$. We shall prove the following:

(i) If $E[\delta*(t)] < \infty$, $t > 0$, is independent of t, then $\{N_t\}$ is Poisson.

(ii) If

$$E[\delta(t)] = \int_0^\infty x F_t(dx) , \quad t > 0 ,$$

then $\{N_t\}$ is Poisson.

Proof of (i).

$$P\{\delta*(t) > x\} = \sum_{n=0}^\infty P\{\delta*(t) > x, S_n \leq t < S_{n+1}\} =$$

$$= \sum_{n=0}^\infty P\{S_{n+1} > t + x, S_n \leq t\} =$$

$$= \sum_{n=0}^\infty \int_{n=0}^t P\{X_{n+1} > t + x - u \mid S_n = u\} F^{*n}(du) =$$

$$= \int_0^t [1 - F(t + x - u)] V(du) ,$$

where F^{*n} is the nth convolution power of F and

$$V = \sum_{n=0}^\infty F^{*n} .$$

Integration yields the expected value

$$\Delta^*(t) = E[\delta^*(t)] = \int_0^\infty P\{\delta^*(t) > x\}dx =$$

$$= \int_0^t \{\int_{t-u}^\infty [1-F(x)]dx\}V(du)$$

after a change in the order of integration. Since $\Delta^*(t)$ is finite by assumption,

$$\mu = \int_0^\infty xF(dx) < \infty .$$

And if we denote the Laplace-Stieltjes transform by $\hat{\ }$,

$$\hat{f}(s) = \int_0^\infty e^{-st}f(dt) ,$$

it follows that

$$\hat{\Delta}^*(s) = \{\mu - [1-\hat{F}(s)]s^{-1}\}\hat{V}(s) =$$

$$= [\mu s-1+\hat{F}(s)] \big/ s[1-\hat{F}(s)] , \quad s > 0 .$$

Now if Δ^* is constant, say $\Delta^*(t) = c$, $t \geq 0$ then $\hat{\Delta}^*(s) = c$ for all s and we obtain

$$\hat{F}(s) = [(c-\mu)s+1] \big/ (1+cs) .$$

Since $\hat{F}(\infty) = F(0) = 0$, $c = \mu$ and $\hat{F}(s) = (1+\mu s)^{-1}$, that is $F(x) = 1 - e^{-x/\mu}$.

Proof of (ii).

$$P\{\delta(t) > x\} = \sum_{n=0}^{\infty} P\{S_n < t-x,\ S_{n+1} > t\} =$$

$$= \sum_{n=0}^{\infty} \int_0^{t-x-} P\{S_{n+1} > t \mid S_n = u\} F^{*n}(du) =$$

$$= \int_0^{t-x-} [1-F(t-u)]V(du) \ .$$

Therefore

$$\Delta(t) = E[\delta(t)] = \int_0^{\infty} P\{\delta(t) > x\}dx =$$

$$= \int_0^t \{ \int_0^{x-} [1-F(t-u)]V(du)\}dx =$$

$$= \int_0^{t-} \{ \int_u^t [1-F(t-u)]dx\}V(du) =$$

$$= \int_0^{t-} [1-F(t-u)](t-u)V(du) =$$

$$= \int_0^t [1-F(t-u)](t-u)V(du) \ .$$

And the transform is

$$\hat{\Delta}(s) = \hat{V}(s)s \int_0^{\infty} e^{-st}[1-F(t)]t\,dt =$$

$$= -\hat{V}(s)s \ \frac{d}{ds} \{[1-\hat{F}(s)]s^{-1}\} =$$

$$= [s\hat{F}'(s) + 1 - \hat{F}(s)] / s[1 - \hat{F}(s)] \ .$$

But under (ii)

$$\Delta(t) = \int_0^\infty x F_t(dx) = \int_0^t x F(dx) + t[1 - F(t)]$$

yielding

$$\hat{\Delta}(s) = -\hat{F}'(s) + [s\hat{F}'(s) + 1 - \hat{F}(s)]s^{-1} .$$

Equating the two expressions, we see that terms cancel beautifully and

$$s\hat{F}'(s) = \hat{F}^2(s) - \hat{F}(s)$$

with the obvious initial condition

$$\hat{F}(0) = 1 .$$

This is a Riccati equation with the unique solution

$$\hat{F}(s) = (1 + \mu s)^{-1}$$

where

$$\mu = -\hat{F}'(0) = \int_0^\infty x F(dx) < \infty .$$

Hence,

$$F(x) = 1 - e^{-x/\mu} .$$

A simple consequence might be worthwhile noting. Given that $N_t = n$, $t \geq 0$, $n \geq 1$, the random variables $X_1, X_2, \ldots, X_{n-1}$, that is the spans between renewal points in $[0,t]$, have the same distribution. And the last subinterval $t-S_n$ has this same conditional law, for a sequence o. t:s tending to infinity, if and only if the process is Poisson [1].

We get an expectation analogue of this result directly: If, for $t \geq 0$, $n \geq 1$,

$$E[t-S_n | N_t = n] = E[X_1 | N_t = n] \ ,$$

then

$$E\delta(t) = \sum_{n=0}^{\infty} E[\delta(t) | N_t = n] P\{N_t = n\} =$$

$$= tP\{N_t = 0\} + \sum_{n=1}^{\infty} E[t-S_n | N_t = n] P\{N_t = n\} =$$

$$= t[1-F(t)] + E[X_1 1_{\{N_t > 0\}}] =$$

$$= t[1-F(t)] + \int_0^t xF(dx) = \int_0^{\infty} xF_t(dx) \ .$$

And so, by (ii) it follows that $\{N_t\}$ is Poisson.

Reference

1. Kai Lai Chung, The Poisson process as a renewal process. To appear in Periodica Mathematica.